

Message Text

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ACTION NEA-16

INFO OCT-01 ISO-00 AID-20 CIAE-00 COME-00 EB-12 FRB-03

INR-11 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 SP-03

CIEP-03 LAB-06 SIL-01 OMB-01 L-03 H-03 EUR-25 DRC-01

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FM AMEMBASSY JIDDA

TO SECSTATE WASHDC 8841

INFO AMEMBASSY BEIRUT

LIMITED OFFICIAL USE JIDDA 5754

E.O. 11652: N/A

TAGS: EIND, EINV, SA

SUBJECT: UNION CARBIDE INVESTMENT PROPOSAL

BEGIN SUMMARY: INFLUENTIAL LOCAL BUSINESSMAN HASHEM S. HASHEM WOULD LIKE TO DISCUSS UNION CARBIDE PROPOSAL FOR \$3.5 MILLION BATTERY PLANT WITH SENIOR UC CORPORATE REPRESENTATIVE. ACTION REQUESTED: ADVISE ON WHETHER UC WOULD LIKE TO MEET WITH HASHEM. END SUMMARY

1. UNION CARBIDE IS PROPOSING TO ESTABLISH A \$3.5 MILLION DRY-CELL BATTERY PLANT IN SAUDI ARABIA IN JOINT VENTURE WITH THEIR TRADITIONAL LOCAL DISTRIBUTOR, RAJAB AND SILSILA. PROPOSAL IS BLOCKED FOR THE MOMENT BY FACT THAT SAG DEPT OF INDUSTRIES HAS ISSUED EXCLUSIVE LICENSE FOR SUCH A PLANT TO A LOCAL BUSINESSMAN, MAJOR GENERAL (RETIRED) HASHEM S. HASHEM. UC RESIDENT REPRESENTATIVE IN BEIRUT, PAUL KANTIMIROFF, HAS BEEN IN LIMITED CONTACT WITH HASHEM ABOUT POSSIBILITY OF INCLUDING HIM AS A VENTURE PARTNER, BUT HASHEM HAS EVIDENTLY NOT BEEN SATISFIED WITH PROCEEDINGS. HE HAS EXPRESSED DESIRE TO DISCUSS VENTURE WITH SOMEONE IN UC AT THE HIGHER CORPORATE, "BOARD MEMBER", LEVEL. HASHEM

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CLAIMS TO ALSO HAVE PROPOSALS FROM EUROPEAN FIRMS AND

PROBABLY DOES HAVE ABILITY TO TORPEDO THE UC PROPOSAL.

2. FYI, HASHEM WAS "RETIRED" AS COMMANDING GENERAL OF THE SAUDI AIR FORCE IN 1971, OSTENSIBLY FOR GETTING TOO GREEDY IN COLLECTING RAKE-OFFS, BUT PROBABLY IN LARGE PART FOR DEVELOPING TOO HIGH A PROFILE DUE TO HIS DYNAMISM, EFFECTIVENESS, AND POPULARITY. HE HAS SINCE BECOME AN ACTIVE BUSINESSMAN, AND HE CONTINUES TO ENJOY CONSIDERABLE INFLUENCE. HE IS RELATED BY MARRIAGE TO THE SULEIMAN FAMILY, ONE OF THE RICHEST AND MOST INFLUENTIAL BUSINESS GROUPS IN THE KINGDOM. WHILE HIS SENSE OF BUSINESS ETHICS MAY BE UNCERTAIN, HIS ABILITY AND DRIVE ARE UNQUESTIONABLE.

3. DEPT PLEASE PASS THE FOREGOING TO UNION CARBIDE-- WITH APPROPRIATE CAUTIONING AGAINST REVEALING SOURCE OF BIODATA ON HASHEM--AND ASCERTAIN WHETHER SENIOR UC OFFICIAL WOULD LIKE TO MEET WITH HASHEM.

4. FOR BEIRUT: WE UNDERSTAND THAT KANTIMIROFF WAS PLANNING TO GO TO THE U.S. IN EARLY OCT TO DISCUSS STATUS OF PROJECT WITH HIS SUPERIORS. EMBOFF DURING TELEPHONE CONVERSATION HAD PROMISED TO DELIVER ADDITIONAL BACKGROUND DATA ON HASHEM TO HIM BY MORE SECURE CHANNEL. PLEASE PASS SUBSTANCE OF PARA 2 TO HIM VERBALLY IF HE HAS NOT YET DEPARTED FOR THE U.S.
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Message Attributes

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TAGS: EIND, EINV, SA, US, UNION CARBIDE
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005